

VZCZCXRO5298
OO RUEHDT RUEHPB
DE RUEHJA #1699 2811057
ZNY CCCCC ZZH
O 081057Z OCT 09
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3539
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE PRIORITY
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RHEFDIA/DIA WASHINGTON DC

C O N F I D E N T I A L JAKARTA 001699

SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS, EAP/RSP
NSC FOR D. WALTON

E.O. 12958: DECL: 10/09/2019

TAGS: [PGOV](#) [KDEM](#) [ID](#)

SUBJECT: KEY PARTY PICKS NEW LEADER IN WIN FOR PRESIDENT

REF: JAKARTA 1597 AND PREVIOUS

Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

11. (C) SUMMARY: The Golkar Party selected Aburizal Bakrie, Coordinating Minister for the People's Welfare, as its chair on October 8. Bakrie replaces Vice President Jusuf Kalla, who challenged President Yudhoyono in the recent election and lost. Bakrie is hugely wealthy and his victory was expected. He is an ally of President Yudhoyono's and his victory bolsters the President's continued mastery of Indonesian politics. END SUMMARY.

GOLKAR HAS A NEW CHIEF

12. (C) A key Indonesian party has a new chief. The Golkar Party, the second largest party in Parliament (DPR) with 19 percent of the seats, held a leadership conference from October 5-8 in Riau, Sumatra. Aburizal Bakrie won the top post, beating out his four competitors: media tycoon Surya Paloh; young upstart and second-time legislator Yuddy Chrisnandy; Suharto's son Tommy Suharto; and, MP Ferry Mursyan Baldan. Of the four, only Paloh had the connections and the money to take on Bakrie and the race was fairly close. Ferry, Suharto and Chrisnandy finished far back.

13. (C) Bakrie replaces Vice President Jusuf Kalla, who made the mistake of challenging President Yudhoyono in the recent election, losing big. Due to the extent of that loss, Kalla has little political capital left and seems to have lost any claim to be a major political player. Kalla--who is from Sulawesi--plans to make his home in Jakarta and go back to his business activities.

AN ALLY OF THE PRESIDENT'S

14. (C) Bakrie, however, is a major player in Jakarta and his political capital is rising. He is currently Coordinating Minister for the People's Welfare in Yudhoyono's government but plans to step down from the Cabinet before the President is sworn in on October 20. Bakrie and his family run a wide-ranging conglomerate with interests in real estate, agriculture, trade, shipping, banking, insurance, media, construction and manufacturing, etc. Much to his political embarrassment, a Bakrie-linked enterprise--excavating for natural gas in eastern Java--helped spark the mud flow which inundated neighboring villages beginning in 2006. Despite taking a lot of heat, Bakrie managed to survive that debacle and continues to have the ear of the President's.

ANOTHER VICTORY FOR YUDHOYONO

15. (C) President Yudhoyono is enjoying a string of political victories. In the April legislative elections, his party, Partai Demokrat, won a plurality of the seats and his

coalition now controls over sixty percent of the Parliament (and that's without Golkar). In July 2009, he won in a landslide in his re-election campaign with over 60% of the vote. Bakrie's selection is another victory. He has already stated that Golkar will not join the opposition and it is widely expected that Golkar will formally join the governing coalition soon. In supporting Bakrie, Golkar activists hope he can revive a party which has seen much of its vote-generating power fade. With another political victory under his belt, Yudhoyono is now set to select his new Cabinet in the lead up to his inauguration on October 20.

OSIUS